

Chairman's Statement
Sen. Tom Coburn, M.D. (R-OK)
Round 2: Federal Agencies and Conference Spending
September 14, 2006

Welcome to Round 2 of Federal Agencies and Conference Spending. This past February we held a hearing after an oversight investigation revealed that the federal government had spent over \$1.4 billion on conference-related travel and meetings in the last five years. I called another hearing on this topic because this figure is set to increase by at least \$300 million after 2006 totals are tallied. The ten witnesses appearing before the Subcommittee on Federal Financial Management have been called because they either have not provided information I requested about their fiscal year 2006 conference activity or their responses were late.

I still have not received 2006 information from USAID or the Department of Agriculture. The Departments of Justice and Treasury submitted their data yesterday afternoon. Several of you informed my staff that people were on vacation in August so that is why you were unable to complete the request on time. However, when the information was due in early July, I don't see how August vacations are relevant. I hope that these agencies can assure us today that they'll submit final reports to this Subcommittee at the end of the month when the fiscal year concludes, and for those who have already responded, please update your information.

I want to thank the Departments of Labor, Commerce and Treasury for submitting their testimony on time. The other seven witnesses were late. I set these deadlines so I can review your testimony ahead of time and we can have a productive session at the hearing.

The Findings

In a review of your conference data, a few things that caught my eye between location, attendance levels, topic and cost:

- USAID reported sending 3 people to Orlando for a conference they described as: "workshops and networking for feds in D.C."
- The Department of Labor sent 5 people to Vietnam for a conference on strategies for workforce development. They also sent someone to Hong Kong for an OSHA conference.
- The Department of Interior spent \$722,000 to send 125 employees to a 4-day conference just 70 miles outside of D.C. That is about \$5,800 per attendee. They could have sent each employee and spouse on a 7-day luxury cruise for the same cost.
- The Department of Agriculture sent 550 people to a Rural Development Conference in Oregon.
- DHS sent 842 FEMA employees to the National Disaster Medical Service Conference in Reno, NV this past April at a cost of \$1.5 million. I looked at the program line up for this conference and attendees had free time after 4:30 p.m. every day. The first two days were all optional sessions. The conference website boasts the many pools, casinos, restaurants, go-kart tracks and shopping available for hotel guests.
- The Department of Treasury sent 11 employees to a series of wine seminars throughout California.

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My point in bringing up these particular conferences is teleconferencing and the use of email to exchange information virtually reduce the need for employees to travel to most of these conferences. Instead of sending someone to the Rotary Club meeting in St. Croix, Virgin Islands, the Department of Labor could have hopped on a conference call. Or instead of sending someone to Fiji for a maritime seminar, the Department of Homeland Security could have had the information presented at the meeting emailed back to them in America.

One thought I had is that it might be cheaper to hold conferences here in Washington. I am not saying that all conferences are a waste of time and money. Some conferences are very necessary and that's precisely why I am interested in this topic, to make sure that we are using resources for things that are "must-do's" for the efficiency and economy of the Department.

Astonishing increase in spending since 2000

I continue to be concerned about the amount of time, money and human capital the government spends sending people to these meetings and sponsoring the conferences themselves. Between 2005 and 2006 the agencies represented here today increased their conference spending almost 20%. After the Subcommittee brought this issue to your attention last year most of you continued to increase this type of spending. At the very least this type of spending should return to 2001 levels and remain flat as that was the year American taxpayers began funding an expensive war.

Since 2000, the government has spent almost \$1.5 billion, a number that will be surpassed at the conclusion of this fiscal year. Given the number of holes in the data submitted to this Subcommittee, I am sure this number is much higher. But what is most astounding to me is *the rate* at which this spending has increased – some 70% in five years, or 14% a year.

I note that between the witnesses today, some of you are below this average, and others exceed it. This was calculated using the latest available data.

- OPM: spending has declined.
- Interior: Couldn't submit complete data.
- Labor: 21% spending increase
- Agriculture: 53% spending increase
- Commerce: 57% spending increase
- Treasury: 96% spending increase
- Justice: 141% spending increase
- USAID: 147% spending increase
- DHS: 148 % - which is pretty impressive for an agency that is 3 years old.
- Education: 261% spending increase.

Above and beyond these enormous increases, I have to wonder about the loss in productivity within agencies when employees are out of the office and sitting at a conference out of town. On

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top of the conference and travel costs add in each day's salary when that employee wasn't doing his regular job. The loss of man hours is tremendous if you consider the fact that federal employees attend thousands of conferences a year.

I also continue to be amazed that these large spending increases on conference travel – an activity that many see as a luxury rather than a necessity – have occurred during a time of war. Only one agency here today has reduced this type of spending. It used to be the case that government set priorities and cut back non-defense spending during war time. President Roosevelt cut non-defense spending by over 20% and several years later, President Truman cut non-military spending by 28%. Today, things are different.

Technology should reduce need for travel, especially by large delegations

Technology is dramatically *reducing* the need for travel. In the modern telecommunications era, it is unnecessary to spend time and resources to finance so many conferences. Teleconferences and video conferencing, for example, can save money while allowing the same type of information sharing at a mere fraction of the cost. Yet, this is not the trend we see. Three Departments actually *doubled* the number of conferences they sent people to last year: Agriculture sent people to almost 800 last year; Commerce staff attended 900 conferences this year; and Education sent people to 600 conferences. DHS officials attended 660 last year and they will attend a whopping 2,217 this year. Last year USAID participated in 1400 conferences. For an agency of 2,500 employees, I was shocked by this number. It will be interesting to see 2006 data when they submit it.

First hearing round up

I am pleased to report that as a result of our first hearing, both HHS and EPA have issued internal conference directives to help supervisors manage conference requests and spending. EPA asks managers to consider email and videoconferencing options before attending a conference. They also ask staff to consider lower cost locations and to hold conferences on an 18-month cycle instead of annually. These are positive steps being taken by individual agencies that I hope to see more of in the very near future. But we won't know if these process changes are sufficient until we see conference spending at these agencies reduced next year. We'll all be back to find out.

In February, at the first hearing in this series, a former government official informed the Subcommittee that many federal employees lobby to attend conferences in beach, resort, casino or European tourist destinations including the Virgin Islands, Paris, Las Vegas, Maui, Geneva, and Australia. Many who attend the conferences then use annual leave to stick around for a few extra days or weeks, essentially charging taxpayers the cost of a plane ticket for their personal vacations. In other words, the destination drives the decision to attend rather than the agency mission. This witness also reported at the hearing that there are few internal controls on conference attendance or spending and questioned the cost effectiveness of the array of conferences.

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I am still awaiting responses on specific conferences, but in terms of taxpayer funded vacations we found that:

- The Department of Commerce sent 31 people to Greece for the International Sea Turtle Symposium at a cost of \$84,000. Between the 31 attendees, they took 81 days of annual leave.

Lack of transparency

I hope this hearing prompts you all to increase transparency within your agencies. With increased transparency I believe many of these problems could be avoided. There should be a formal vetting and justification process for conference requests, especially when technology allows for teleconferencing and use of the Internet to exchange information.

As we go forward, I would encourage agencies to be sure that every conference attended by Federal employees passes the following tests:

- 1) Does the conference help further the Department's mission?
- 2) Could the information be shared through another means such as a teleconference or the Internet?
- 3) Is the location appropriate and justified? What would the average American think about their tax dollars being spent on this conference in this location?
- 4) Is the number of employees attending justified?
- 5) Does participation in the conference validate or endorse ideas or values harmful to American interests and culture?
- 6) Does the conference give a platform to ideas and panelists who undermine American interests?
- 7) Is this a wise use of tax dollars when we have an \$8 trillion+ national debt?
- 8) Is it a "must-do" for efficiency and economy for the Department?

Every conference should be readily defensible, on its face, to *regular* Americans in terms of topic, location and participants. The conferences must be related to the Department's mission. If annual leave is requested in conjunction with a conference, managers must scrutinize conference topic and consider value to agency's work and focus. I look forward to our discussion today.

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